



CLIMATE WATCH

THE BULLETIN OF THE GLOBAL CLIMATE COALITION

Volume 1 Issue 5

April 1993

Executive Director's Column

ALBRIGHT SIGNALS REVIEW OF U.S. POLICY

Many people believe that U.N. activity on the Climate Convention has slowed considerably since the adoption of the treaty last year. Nothing could be further from the truth. The Intergovernmental Negotiating Committee (INC) on climate change has just concluded its second meeting since the convention was completed, and its seventh since negotiations began in early 1991. The Intergovernmental Panel on Climate Change (IPCC), the U.N. body looking at climate science, met in February, and its working group will meet again in Montreal from May 3-7. The full IPCC will meet in Geneva in June for its ninth Plenary Session. In addition to these meetings, the Global Environment Facility (GEF), the entity currently in charge of the funds that will be used to help the developing world meet its commitments under the convention, will

meet in May in Beijing to better define how to provide both money and technology to developing countries to help them mitigate worldwide greenhouse gas emissions.

The New York meeting was held from March 15-20. This was the first meeting with the Clinton administration in the White House. The U.S. delegation was ably headed by Dan Reifsnyder, director of the State Department's Global Climate Office. Reifsnyder had served as deputy to Bob Reinstein, who led the treaty negotiations last year and has since left government service.

The Global Climate Coalition (GCC) was pleased to have Connie Holmes, chair of the GCC International Committee, serve on the delegation representing business, at the invitation of the State Department. Environmental groups were

Continued on next page

U.N. WATCHDOG AGENCY SET TO OVERSEE COMPLIANCE WITH RIO ACCORDS

The newly established U.N. Commission on Sustainable Development convened for the first time in late February 1993 to hammer out a draft agenda for a June meeting that will review compliance with the Rio agreements. The commission has been charged with ensuring that countries keep the promises made at Rio. However, the commission has no legal power and will have to rely on its ability to mobilize peer pressure and publicity to increase the accountability of governments and international institutions.

The commission includes representatives from 53 nations chosen for memberships ranging from one to three years. The nations include developed and developing countries. At the meeting, a chairman, Ambassador Razali Ismail of Malaysia, and four vice chairmen were elected. A high-level advisory panel to the commission will be selected in May.

According to the United Nations Association of the United States of America, the commission can be expected to play three roles: (1) to monitor the actions of nations and international organizations in implementing Agenda 21, an 800-page,

Continued on back page

GCC CITES KEYS TO ECONOMIC GROWTH AND ENVIRONMENTAL IMPROVEMENT

In remarks before the Intergovernmental Negotiating Committee (INC) on climate change, the Global Climate Coalition (GCC) urged international policy makers to build their efforts on a foundation of sound science, thorough economic analysis and a program for technology cooperation. The GCC emphasized that only on such a foundation can real economic growth and environmental improvement be sustained.

Speaking on behalf of the GCC and the international business non-governmental organizations (NGOs) on March 19, John Shlaes, GCC executive director, said, "Building on existing institutions, we will have to develop and put into place structures that will be effective, long-standing and flexible. Clearly, our decisions should be founded on sound science and should deal positively with the environment while providing a framework that ensures meaningful economic growth for the future of all countries."

Shlaes focused on the importance of preserving the participation of international business and industry when crafting long-term strategies for implementing the Framework Convention.

"Business and industry have the ingenuity, energy, know-how and individual initiative to make a major contribution to the long-term goals of providing for economic growth and environmental improvement," Shlaes said. He called on policy makers to avoid measures that would diminish business and industry's ability to make the greatest possible contribution to achieving the goals of sustainable development.

Continued on third page

Albright*Continued from front page*

represented by Dan Goldberg of the Center for International Environmental Law.

The primary focus of the March INC meeting was the Global Environment Facility and its relationship to the Conference of the Parties to the convention. While significant progress was reported, questions still linger as to who has the

authority to determine priorities for projects, what the level of funds will be, and who will receive the funds. This thorny North-South issue will be debated again at the eighth session of the INC in August.

Other noteworthy activity at the March INC meeting included a statement by the new U.S. ambassador to the United Nations, Madeleine Albright, the selection of the new INC leadership and efforts to tighten the INC relationships with the IPCC and the GEF. Mr. Raul Estrada-Oyuela from Argentina, a gentleman of quick intellect and strong manner, was elected to succeed Jean Ripert as INC president.

In her opening-day comments, Ambassador Albright indicated that the new administration welcomes a review of the adequacy of commitments on climate change, and said that action should be taken based on this review. Referring to the current U.S. National Action Plan, Albright said, "The plan will be significantly revised to take carefully into account the comments received from the public and the results of a comprehensive review of our policy options."

The U.S. review of policy options is already in progress. Climate change will be a major part of the analysis, which is to be led by the State Department. Also receiving significant attention are such issues as oceans, forests and the Commission on Sustainable Development. All agencies, including the EPA and DOE, will provide input. According to Ambassador Albright, this process is



By John Shlaes

UPDATE FROM THE EC

EC members are divided over how the burden of reducing carbon dioxide (CO₂) emissions, as set out under the Framework Convention on Climate Change, will be shared among them. Britain has rejected calls for the northern EC states to accept a greater share of the burden of emissions reductions. The northern states have agreed to work to meet emissions reductions requirements, but only if southern states are willing to drop their opposition to an EC-wide energy tax.

Unwilling to turn its authority to tax over to the EC, Britain has rebuffed the notion of an EC-wide energy tax. German Chancellor Helmut Kohl reached an agreement in March with the opposition Social Democrats to hold any tax increases until 1995 (the year following his reelection). This

agreement, along with the \$200 billion annual price tag for supporting former East Germany, will dampen Germany's enthusiasm for an EC energy tax, say observers.

Moreover, a report circulating in the European Commission suggests that the community will not achieve its goal of stabilizing CO₂ emissions at 1990 levels by the year 2000. Even if all 12 members meet individual targets, the community is expected to fall about 4 percent short of its goal. The figures are being called preliminary, but nonetheless are causing concern in the community.

The GCC is working with industry in Europe to encourage the EC to review, and perhaps to restate, emissions targets in light of new uncertainties concerning computer model forecasts of future temperature increases. ●

necessary to "reassess all options for reducing greenhouse gas emissions."

The GCC released a statement in New York welcoming the pledge by the Clinton administration to reevaluate actions to address climate change. GCC believes that all proposed actions must be carefully examined with close attention to their consequences for economic growth, employment and U.S. competitiveness in the global market. As outlined in GCC's comments on the National Action Plan (see *Climate Watch*, March 1993), the United States must keep its lead on technology cooperation initiatives to promote more efficient environmental and energy technologies. To do so, it will have to keep its policies focused on capital formation and economic growth.

The GCC strongly believes that it is important to have an open exchange with the administration and has approached the State Department to request an opportunity to comment on any new government analysis of climate change policy. Participation in this evaluation is a top priority for GCC since the results could be a precursor for policy changes that will have significant

economic and regulatory impacts on U.S. business.

The United States has been an international leader on the climate change issue. The United States was not only the first major country to ratify the treaty and to submit a National Action Plan, but also the first major country to pass a comprehensive program to develop studies and specific recommendations on climate change issues, all of which are provided for in the more than 100 measures that address climate change in the National Energy Policy Act.

The major challenge facing the U.S. government is to develop a strong, pragmatic economic and policy framework for climate change issues to ensure that the United States works, as Ambassador Albright said in New York, with the nations of the world to build a partnership. The United States must ensure that any decisions we make as a country will build on the strong foundation we have already established on the environment, that we find effective ways to utilize our resources to help others, that we recognize our accomplishments and leadership, and that we don't try to "go it alone." ●

CARBON TAXES WOULD CLOBBER ECONOMY, NOT ENVIRONMENTAL PROBLEMS, SAYS NEW REPORT

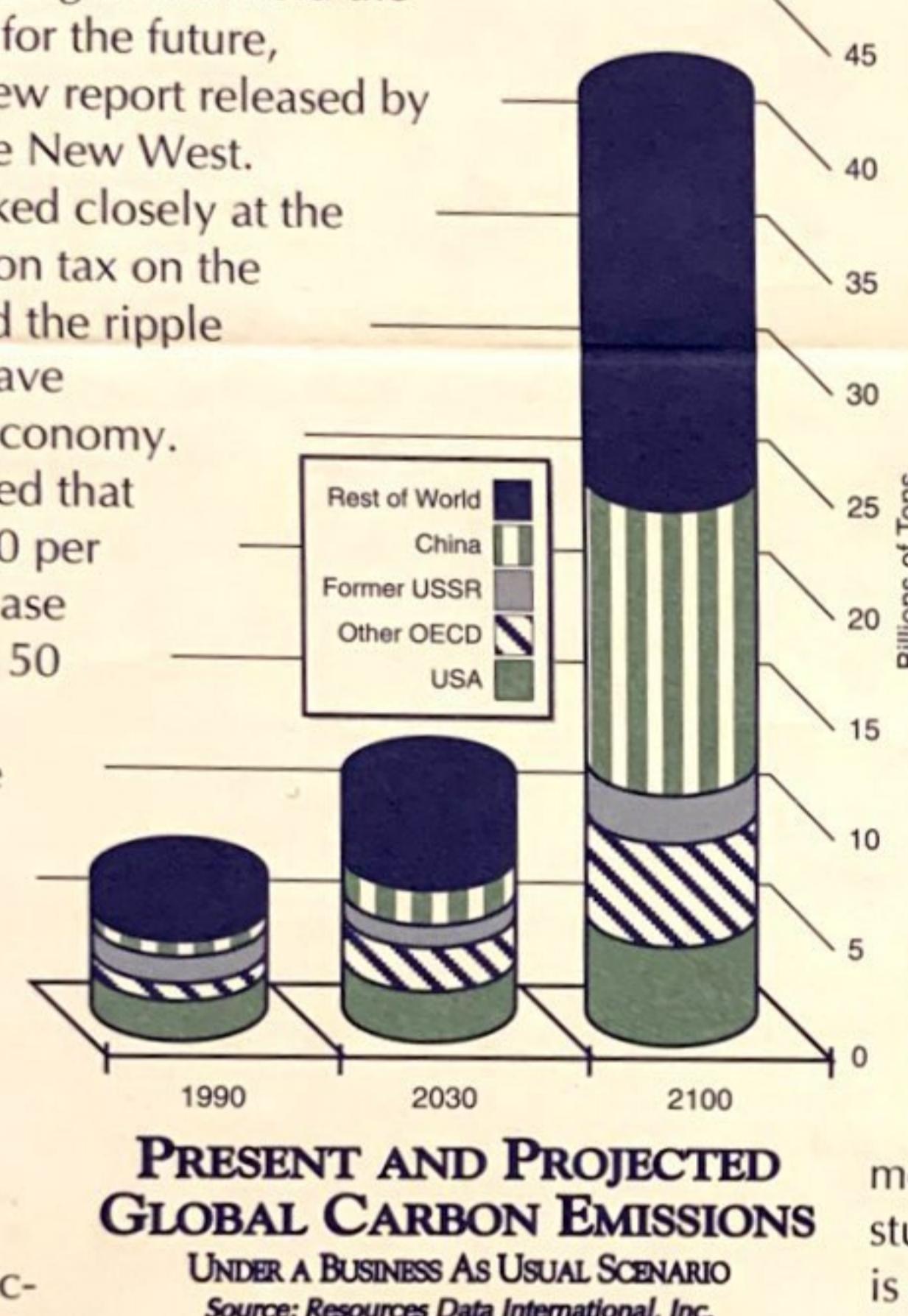
Carbon and other energy taxes would severely dampen economic growth in the United States, to a point that would threaten America's ability to invest in the environmental technologies that hold the greatest promise for the future, according to a new report released by the Center for the New West.

The report looked closely at the impact of a carbon tax on the coal industry and the ripple effect it would have throughout the economy.

The report showed that a carbon tax (\$50 per ton) would increase the price of coal 50 to 60 percent.

According to the report, such a price hike would cost hundreds of thousands of jobs in the coal industry alone.

A carbon tax would hit electric-



**PRESENT AND PROJECTED
GLOBAL CARBON EMISSIONS**

UNDER A BUSINESS AS USUAL SCENARIO

Source: Resources Data International, Inc.

ity producers and consumers as well, the center's report warned, as higher coal prices would force producers to change the mix of fuels used to generate power. Currently, more than half the nation's electricity comes from coal-burning power plants. Rising costs of electricity, reflected in higher energy bills and in the price of new goods and services, would contribute to a sharp decline in Gross Domestic Product, the report said. Other recent studies support this conclusion.

Economic austerity in the United States, however, will not mean global environmental improvements, according to the study. "Carbon dioxide is a world-wide prob-

lem. Most of the rest of the world will continue to burn coal to generate electricity, and coal's share of the total world primary energy likely will increase. More than 80 percent of the projected increase in greenhouse gases over the next 100 years will come from the developing world, not from the United States, Japan or the European Community." (See graphic.)

The report emphasized that the United States leads the world in the research and development of coal conversion technology, which provides cleaner and more efficient coal combustion. This technology is crucial to addressing the emissions problems in the developing world.

The Center for the New West is a non-profit, non-partisan institution for policy research, economic development and education based in Denver, Colorado. Copies of the report are available by calling the center at (303) 572-5400. ●

Copies of the study "Leadership in Energy Efficiency: A Comparison of the U.S. Versus the Other Major Industrialized Countries," which was prepared by the EOP Group for the Global Climate Coalition, are available from GCC for \$10.

Keys to Growth

Continued from front page

Strategies adopted by the INC to implement the Framework Convention should "promote the open flow of information, expertise, products and enthusiasm," said Shlaes. He cited the Technology Cooperation Corps as an example of a mechanism that would achieve these goals by creating a partnership between governments and economic NGOs.

In related comments to the INC, the GCC raised questions about the future of NGO participation in INC deliberations. NGOs always have been permitted as observers to take part in plenary and working group sessions of the INC. But the working groups meetings under a ratified convention (expected in mid to late 1994) have been tentatively designated as "private" in the draft rules of procedure.

Shlaes urged that the word "private" be further defined or eliminated from the rules to allow NGOs to participate as observers in meetings of working groups of the Conference of the Parties. He said, "We [business NGOs] want to make constructive contributions to your future work. We pledge to you our best efforts. The rules you present to the Conference of the Parties should make it easier, not harder, for us to do so." ●

GLOBAL COMMISSION PLANS REPORT ADDRESSING ENVIRONMENTAL ACTION BEYOND RIO

The Commission on Global Governance, a group of 28 international figures who support sustainable development, plans to issue a report next year considering "how limited progress made at the Earth Summit in June 1992 can be consolidated and extended."

The commission, which met in February in Geneva, includes Barber Conable, former president of the World Bank and Allan Boesak of the African National Congress. The commission's statement of purpose said, "It is time to review the arrangements for the governance of our global society.... New sources of instability and conflict — economic, ecological, social, humanitarian — call for rapid collective responses and new approaches to security."

The commission's next meeting will be held in Geneva from May 27 through June 1 and will include consultations with non-governmental groups. ●

Compliance With Rio Accords *Continued from front page*

Continued from front page

non-binding global environmental practices agenda signed at the Rio summit that lays out specific action items for environmental and economic development; (2) to review the flow of financial resources to developing countries for economic development efforts; and (3) to be a forum for discussion, consensus building and decision making.

The commission also has been charged with assessing progress on implementation of the Framework Convention on Climate Change, which will take effect 90 days after 50 countries have ratified it (17 have signed to date), probably in mid to late 1994.

Under Agenda 21, the commission has been called upon to "encourage the participation of non-governmental organizations, including industry and the business and scientific communities." The commission was recently authorized to consider as many as 1,400 NGOs for possible working relationships in the future. The participation of NGOs has been deemed valuable and important by the commission.

CONFERENCE TO EXPLORE SCIENTIFIC INTEGRITY AND PUBLIC POLICY

The complexity of today's health and environmental issues often demands that policy makers rely on scientists for guidance. How do we ensure the integrity of those to whom our policy makers are looking for direction on matters that will affect the lives of billions of people and the global economy? This question, which is becoming more relevant and crucial every day, is at the heart of an upcoming conference entitled "Scientific Integrity and the Public Policy Process."

The International Institute of George Mason University and The Science and Environmental Policy Project, an affiliate of the San Francisco-based Institute for Contemporary Studies, will address questions about science and public policy at the conference, scheduled for May 24-25 in Washington, DC. The conference is aimed at assessing the extent of the current problems with scientific integrity and the public policy process.

The conference will feature speakers and participants from the scientific community, industry, government, the media and the public policy arena. Panels will discuss topics such as research on the physical environment (including climate change), scientists and scientific responsibility, the economic impact of non-science-based regulation, and the unique problems fac-

ing health and environmental reporters. Among those scheduled to appear are such noted authorities as Professor John Moore, George Mason International Institute; Dr. Michael Gough, Office of Technology Assessment; Dr. Fred Singer, The Science and Environmental Policy Project; Richard Lindzen, MIT professor and member of the National Academy of Sciences; and Mr. Elliot Abrams, meteorologist for Accu-Weather, Inc.

For more information contact The Science and Environmental Policy Project, (703) 993-8200, in Arlington, Virginia.

Climate Watch is published monthly by Global Climate Coalition, an organization of business trade associations and private companies established to coordinate business participation in the scientific and policy debate on global climate change.

Permission is not necessary for reproduction of *Climate Watch* articles.

Editor: Brian Hertzog

Art Director: Drew Mitchell

Offices: 1331 Pennsylvania Ave., NW
Suite 1500 North Tower
Washington, DC
20004-1703

For more information, contact:
John Shlaes,
Executive Director,
(202) 637-3158.



Global Climate Coalition
1331 Pennsylvania Ave. NW
Suite 1500 - North Tower
Washington, DC 20004-1703



Mr. Nick Sundt
Energy Economics and Climate
1347 Massachusetts Ave., SE
Washington, DC 20003